

## SUBJECT

Items Relating to the Fort Collins-Loveland Municipal Airport.

- A. Resolution 2011-019 Authorizing the City Manager to Execute a Grant Agreement with the Colorado Department of Transportation (Colorado Aeronautical Board) for Funding Pertaining to the Fort Collins-Loveland Municipal Airport.
- B. Resolution 2011-020 Authorizing the City Manager to Execute the 2011 Grant Agreement With the Federal Aviation Administration for Improvements at the Fort Collins-Loveland Municipal Airport.

## EXECUTIVE SUMMARY

The Fort Collins-Loveland Municipal Airport has received grant funds from the Colorado Department of Transportation (CDOT) – Division of Aeronautics. The grant supports the FAA and local capital improvement plans. The 2011 grant is \$400,000. The Resolution accepts the grant and authorizes the City Manager to execute the contract documents.

The Airport has also received grant funds from the Federal Aviation Administration (FAA). As a commercial service airport with over 10,000 enplaned passengers per year the Airport receives an entitlement grant of \$1,000,000. In 2-3 year cycles, the Airport also receives discretionary grants to tackle large FAA approved airside related projects. It is anticipated that in 2011, the Airport will be granted up to \$7,000,000 from the FAA to support a runway rehabilitation project. This resolution authorizes the City Manager to execute the grant award contracts with the FAA.

## BACKGROUND / DISCUSSION

### CDOT GRANT AGREEMENT

The Fort Collins Loveland Airport receives grant funds from the CDOT – Division of Aeronautics. The grants support the FAA and local capital improvement plans. The 2011 grant is \$400,000. The grant funds normally support 50% of the required local 5% match for FAA Airport Improvement Program grants. In 2011, the Airport is projected to be granted up to \$7,000,000 from the FAA to support a runway rehabilitation project.

The \$400,000 will be used for:

\$184,210	50% of FAA Local Match
\$ 15,790	Paint Striper
\$ 50,000	General Aviation Ramp Repair
\$150,000	Terminal Modular Utilities and Design

The contractual local match is \$291,265. The balance of this is made up of cash and in-kind contributions:

\$184,210	50% of FAA Local Match (Collected Passenger Facility Charges (PFC))
\$ 3,000	Local share paint striper*
\$ 5,555	Local share General Aviation Ramp Repair*
\$ 98,500	Local share modular/utility design and construction work*

\*Funded through existing FNL capital reserves

This \$400,000 grant is \$150,000 greater than the past grants of \$250,000 from CDOT. The funds that support the Division of Aeronautics, and the grant program, are solely derived from fees and air fuel taxes throughout Colorado, the fund and division are 100% self-supporting and receive no State of Colorado general fund dollars.

## **FAA AWARD EXECUTION**

Resolution 2011-020 authorizes the City Manager to execute the grant agreements with the FAA pending final approval of funds by the United States Congress and FAA. Due to the nature of the continuing resolutions supporting FAA by Congress, it is probable that the two city owners of the Airport will only have 2-5 days to act on signing the federal grant authorization contract if the FAA awards the grant. The local match for the grant is paid 50% by the CDOT Aeronautics grant and Passenger Facility Charges (PFC) collected from Airport enplaned passengers.

It is anticipated that the Airport will bid the contract schedules for this runway rehabilitation project in March 2011 with an award in April after FAA review. The project will be completed with a 16-day and 20-hour Airport closure in the second half of August. The project will rehabilitate the existing runway, but does not lengthen or increase the capacity of the existing facility.

## **FINANCIAL / ECONOMIC IMPACTS**

The Airport's approved 2011 budget includes the expenditure of the CDOT grant for \$250,000. The Airport budget will receive an additional appropriation of \$150,000 to the capital program for the CDOT grant.

This action appropriates \$197,000 in Passenger Facility Charges (PFC) collected from each ticketed passenger at the Airport and currently held in reserves as part of the local match for the anticipated grant. The current PFC is \$4.50 per passenger. The PFC funds will be partnered with the funds from the State of Colorado Division of Aeronautics to provide the 5% local match for the 95% grant from the FAA. PFC funds are restricted to use on FAA approved projects under federal law. When FAA funds are awarded, those funds will be appropriated to the project. The appropriations occur on the City of Loveland budget process.

## **ENVIRONMENTAL IMPACTS**

This project will not increase the size of the current runway length and width, nor increase the weight capacity of the runway. The level of aircraft activity and/or future growth potential will remain the same after the project is complete so impacts to the environment should remain consistent with current operations.

The runway is a significant transportation resource to the Airport and surrounding communities. Maintaining this asset in a safe, useful condition is critical if the Airport is to continue performing its transportation mission and support of economic growth to the area as an employment center, generating revenues to the City and provide regional transportation services.

## **STAFF RECOMMENDATION**

Staff recommends adoption of the Resolution.

The Airport Steering Committee has been advised of the need for this project and of the FAA Entitlement and Discretionary funding that will be made available for this project. The Airport Steering Committee has expressed its support of this project and the expenditure of the capital funds.

## **PUBLIC OUTREACH**

The Airport staff has held several meetings with Airport tenants, pilot organizations, Airport businesses, local businesses and the FAA to discuss the need for this project and the costs. These meetings have consisted of public Airport Steering Committee meetings, pilot Association meetings, FAA Joint Planning Conferences and individual meetings with Airport businesses and air carrier. All of the Airport stakeholders understand the importance of this runway and support this project.

RESOLUTION 2011-019  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT  
AGREEMENT WITH THE COLORADO DEPARTMENT OF TRANSPORTATION  
(COLORADO AERONAUTICAL BOARD) FOR FUNDING  
PERTAINING TO THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, Title 43, Article 10 of the Colorado Revised Statutes, entitled "Aviation Safety and Accessibility/Aeronautics Division" provides that there exists a need to promote the safe operation and accessibility of general aviation and interstate commercial aviation in Colorado and in pursuance thereof, has established the Colorado Aeronautical Board (the "Board") and, among the duties assigned to the Board, it is empowered to establish policy and procedures for distribution of monies in the Aviation Fund; and has also created the Division of Aeronautics (the "Division") to carry out the directives of the Board; and

WHEREAS, any entity operating a public-accessible airport such as the Fort Collins-Loveland Municipal Airport (the "Airport") may file an application with the Division for a grant to be used exclusively for aviation purposes provided that such grant is supported by a resolution passed by the applicant's governing body requesting such assistance and assuring that if any grant is awarded, it will be used solely for aviation purposes and will comply with all grant procedures and requirements as defined in the Division's most recently adopted Aviation Grant Manual (the "Manual"); and

WHEREAS, the Council of the City of Fort Collins, as one of the duly authorized governing bodies of the Airport intends by this resolution to provide grant assurances for the Board Grant Agreement entitled "CDAG #11-FNL-01" attached hereto as Exhibit "A" and incorporated herein by this reference (the "Grant Agreement").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council, as one of the duly authorized governing bodies of the applicant Fort Collins-Loveland Municipal Airport, hereby formally requests assistance from the Board and the Division in the form of a state aviation system grant in the amount of \$400,000 with a contractual local match in the amount of \$291,265; and the City Council further states that the grant, if awarded, shall be used solely for aviation purposes, as determined by the State, and as generally described in the Application.

Section 2. That the City Council commits to keep the Airport facility accessible to, and open to the public during the entire useful life of the Grant funded improvements/equipment, or, if not, then will reimburse the Division for any unexpired useful life of the improvements/equipment on a pro-rata basis. By signing the Grant Agreement, the City Council further commits the City to keep open and accessible for public use, all grant funded facilities, improvements and services for their useful life, as determined by the Division and stated in the Grant Agreement.

Section 3. That the City Council hereby designates Larry Mack, Airport Operations Manager, as the Project Director and authorizes the Project Director to act in all matters relating to the work project proposed in the Application and further authorizes the City Manager to execute the Grant Agreement.

Section 4. That the City has appropriated or will appropriate or otherwise make available in a timely manner its share of all funds that are required to be provided by the City and the City of Loveland under the terms and conditions of the Grant.

Section 5. That the City hereby accepts all guidelines, procedures, standards, and requirements described in the Manual as applicable to the performance of the grant work project and hereby approves the Grant Agreement.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 1st day of March, A.D. 2011.

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Mayor

ATTEST:

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City Clerk

RESOLUTION 2011-020  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE CITY MANAGER TO EXECUTE THE 2011  
GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION  
FOR IMPROVEMENTS AT THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, the Cities of Fort Collins and Loveland (the "Cities") jointly own and operate the Fort Collins-Loveland Municipal Airport (the "Airport"); and

WHEREAS, the Cities, by resolution, have adopted the Fort Collins-Loveland Municipal Airport Master Plan; and

WHEREAS, the Federal Aviation Administration (the "FAA") provides grant funding to eligible airports to enable those airports to pursue, in a timely manner, capital improvements included within an adopted Airport Master Plan; and

WHEREAS, the Cities have applied for, and may be offered, a capital funding grant from the FAA in the amount of up to \$7,000,000 to fund a capital construction project to rehabilitate the Airport's primary runway pursuant to a grant agreement in a form consistent with prior FAA grant agreements (the "2011 Grant Agreement"); and

WHEREAS, the runway rehabilitation project described in the 2011 Grant Agreement is identified in the Fort Collins-Loveland Municipal Airport Master Plan as a first priority project; and

WHEREAS, the FAA may require acceptance of the Grant, if offered, and execution of the 2011 Grant Agreement in a very short time frame, and the City desires to facilitate such acceptance by the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the 2011 Grant Agreement, which shall be in a form consistent with prior FAA grant agreements, is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the 2011 Grant Agreement in form or substance as deemed necessary to effectuate the purposes of this resolution or to protect the interests of the City.

Section 3. That the City Manager and the City Clerk are hereby authorized and directed to execute the 2011 Grant Agreement on behalf of the City if it is awarded by the FAA.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 1st day of March A.D. 2011.

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Mayor

ATTEST:

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City Clerk